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MEMORIAL

OF

The Civil Service Association of Ottawa.

To the Right Honourable Robert Laird Borden, P.C., K.C., M.P., Prime Minister of Canada:

Sir,—

The members of the Civil Service Association of Ottawa beg leave to bring to your attention hereunder certain matters which intimately concern their welfare and efficiency as public employees.

In approaching you for the first time as Head of the Government, it may be permitted to explain briefly the nature of the organization we represent.

The Civil Service Association of Ottawa was formed in 1907 on the occasion of the appointment of a Royal Commission to inquire into matters pertaining to the Civil Service. It was thought that the providing of means whereby the body of the Service might be enabled to discuss and formulate its views upon the many complicated questions in connection with the public service would prove of assistance, both directly in the way of placing before the proper authorities the experience of the employees immediately affected by Civil Service legislation,—whose point of view must necessarily be one of interest and value,—and indirectly in the way of increasing among Civil Servants themselves an appreciation of the benefits to be derived from co-operation. This opinion was confirmed by the very favourable hearing accorded by the Royal Commission of 1907 and on different occasions since by the late Government to the representations of the Association, especially those having to do with the classification system, and the increasing of the general salary scale to meet the enhanced cost of living, on both of which subjects we have had the satisfaction of seeing several of the recommendations of the Association enacted into law. The Association, we may add, has also been the means of setting on foot among Civil Servants various activities for the promotion of self-help and efficiency. At the moment it numbers about 2,000 members, made up from the several departmental staffs constituting the Inside Service at Ottawa.

On the present occasion, (which is, as above stated, the first on which we have been privileged to place our views before your Government,) we desire to review in this one document the different matters in which we think change is desirable, not only in the interests of Civil Servants but of efficiency and economy of administration. The questions to which we wish more particularly to invite your attention are seven in number:

1. Certain injustices involved in the Civil Service Regulations for a large section of the Inside Service which was classified as in the Third Division on the coming into force of the Civil Service Amendment Act of 1908.
2. The enactment of a comprehensive measure of Superannuation.
3. The extension and amendment of the Insurance privileges now granted to Civil Servants.
4. The need of a Reorganization of the Service as contemplated by section 8 of the Civil Service Amendment Act, 1908.
5. The amendment of the regulation governing the age limit for entrance to the Second Division in certain cases.
6. The securing of uniformity in the preparation of the Quarterly Reports.
7. The improvement of Sanitary conditions in certain of the Government buildings.

The following is a more extended statement on the above topics, each of which, it may be remarked, constitutes a separate problem and may be dealt with accordingly.

THE THIRD DIVISION.

On this subject the Association desires to represent:—

(1). That no recognition has been accorded by the Government to the several representations which have been made during the past three years by the Executive of the Civil Service Association with reference to the unfortunate conditions existing whereby certain clerks in the 3rd Division are placed under serious disabilities with respect to promotion as the result of the operation of the Civil Service Amendment Act of 1908, and of the subsequent regulations of the Civil Service Commissioners.

(2). That the said regulations were amended by an Order-in-Council dated Feb. 22, 1911, but we respectfully submit that these amended regulations do not take any cognizance of the basic principle of the memorials submitted to the former Administration for consideration, namely that the regulations of the Commission should not, in equity, take away from any clerk any rights he possessed prior to the coming into force of the Civil Service Act of 1908.

(3). That this contention was fully appreciated and admitted by the Government at the time of the passing of the said Act, as shown by the following quotations from Hansard, 1908:

Hon. Mr. FISHER (page 11378)

"The Civil Service is to-day established on certain lines. The men who have entered the Civil Service have entered it on certain conditions and are entitled to the consideration due to those who are in the place which they have attained to, under certain laws, rules and regulations."

Hon. Mr. FISHER (page 11583)

"There are people who have passed the promotion examination, which entitles them to go to chief clerkships although they may be only second class clerks to-day. They have a certain standing as a consequence of that, and I think the Commission should recognize that."

Hon. Sir MACKENZIE BOWELL (Senate Debates, July 16th, 1908, page 1600):

"There is a provision in the law that third class clerks must undergo an examination as to fitness before promotion, to be held by the new Commission to be appointed. What position would a third class clerk be in who passed the preliminary examination, the examination as to the duties of his office, and also the qualifying promotion examination? We will assume that he has passed all the examinations necessary for promotion. Will that officer be compelled to go before the new Commission and be examined again before he can be promoted?"

Hon. Mr. SCOTT. "I think not. It would not be fair. I do not think the bill is intended to be *ex post facto;* it is intended to be prospective. The Act will not come into force until September, because it will take some time to organize under it. It is quite impossible to fathom exactly where it will lead to, but I think I am quite safe in saying that an official who is now qualified for promotion could not be disturbed."

Hon. Sir MACKENZIE BOWELL. "That is an equitable conclusion to come to, but I question very much whether under the provisions of the bill, unless some arrangement is made prior to bringing it into force, that the interpretation given by the hon. gentleman is correct."

Hon. Mr. SCOTT. "I am confirmed in that opinion by the fact that we retain the present examiners. The inspector of schools here, Dr. Glashan, is also a member of the board, and the other member is in the library."

(4). That sub-section I of section 35 of the Civil Service Amendment Act, 1908, says:—"Nothing in this Act shall be held to reduce the status of any officer, clerk or employee in the Service."

(5). That by section 4 of the Civil Service Amendment Act of 1910 provision is made that an officer transferred from the Outside service to the Inside service shall not be placed in the Third Division, but may be placed in a higher division without examination, a privilege not granted to the present members of the Third Division, thereby in effect recognising the disability under which the said Third Division labours.

(6). That the clerks who are suffering under the said disability are those who had complied with all the requirements of the then existing regulations and are clearly those referred to in the above quotation from Hansard, but are still denied the benefits to which they are obviously entitled.

(7). That as a result of the automatic tranafer which took place on Sept. 1, 1908, certain employees were placed in the Third Division who should never have been so classified.

We would therefore respectfully request that the Government take steps at the earliest moment to remove the disabilities under which the clerks of the Third Division labour and after careful deliberation on this subject, the following is strongly recommended:—

1. That all clerks in the Third Division who had passed the qualifying and promotion examinations prior to Sept. 1, 1908, be eligible for promotion—without further examination—on the recommendation of the head of the Department, based on the report in writing of the deputy head, and accompanied by a certificate from the Commission that such examinations have been passed, and that the candidate is duly qualified as to health character and habits.

2. That clerks in the Third Division who had passed the qualifying but not the promotion examination, or who were graduates of a Canadian University, be examined in the duties of office only, and that they be eligible for promotion on the recommendation of the head of the Department based on the report in writing of the deputy head, and accompanied by a certificate from the Commission that such examinations have been passed, and that the candidate is duly qualified as to health, character and habits.

3. That clerks in the Third Division who had not passed any examination should be required to pass an examination similar in character to the old qualifying examination and an examination in the duties of office, and should then be eligible for promotion on the recommendation of the head of the Department, based on the report in writing of the deputy head, and accompanied by a certificate from the Commission that such examinations have been passed, and that the candidate is duly qualified as to health, character and habits.

SUPERANNUATION.

In directing the attention of the Government to the important matter of Superannuation, it may not be amiss to review, very briefly, the present situation. All members of the permanent service who were appointed since July 1st, 1898, are now without the benefits of Superannuation. According to the Public Accounts for the fiscal year ending March 31, 1911, 6,391 employees of the Permanent service out of a total of 8,330 are excluded from Superannuation.

This large body of persons is subject instead to the Retirement Act. Whatever may be the merits of that Act we venture the statement that no one can examine the matter closely without becoming convinced that the Retirement Act will never accomplish the objects hoped for from it, and that it can never, in a word, take the place of a well-devised Superannuation measure. In fact the Retirement Act has quite the opposite result. A well-devised scheme of Superannuation would attract good men to the Service at lower salaries than would otherwise be possible, and experience has proved that the prospect of a liberal provision in old age is a strong factor making for the retention of the services of an efficient employee, especially one of long experience. On the other hand, it cannot be maintained that the prospective deduction of 5% from salary payments required by the Retirement Act to be accumulated at 4% interest, is in any way an inducement to entering the Service, as the employee can easily invest his own money on far more favourable terms; and after an employee has been some years in the Service the amount to his credit in the Retirement Fund affords him a special inducement for leaving the Service, as such amount is so much ready capital enabling him to enter upon any enterprise he may desire, or to take advantage of any favourable circumstances which may arise. Thus the efficient employees are continually eliminated from the Service and the inducement grows as the experience of an employee increases.

From the foregoing the futility of attempting to maintain an efficient and satisfied Service under a savings bank provision for retirement must be at once evident. If the savings bank principle which lies at the root of the Retirement Act be a proper substitute for Superannuation, why, it may be asked, have not our banks adopted it for their staffs — for they possess unrivalled facilities for

practicing it within their very walls? But every important bank in Canada has its Pension Fund, and not only have all the important banks their Pension Funds,—to say nothing of the vast majority of civilized Governments,—but all the principal railways and nearly all large industrial corporations have theirs. During the last few years, at least seventy-five among the large corporations doing business on this continent have declared for the principle, by establishing superannuation funds of their own. It is an unanswerable inference from these facts, that the corporations in question must consider it good business to maintain Superannuation Funds; and, as a matter of fact, we know that it is not philanthropy that urges them to this course, but an assurance that thus only can the efficiency of their staffs be maintained.

All the reasons that prompt private corporations to establish Superannuation Funds apply with even greater force in the case of such a body as the Civil Service. To re-establish Superannuation is not alone to confer a boon upon Civil Servants; it will confer a much greater boon upon the Government by maintaining efficiency in the largest administrative and executive body in Canada. Parliament has recently passed a law which guards rigorously the efficiency of persons entering the Service; but this excellent requirement will not accomplish the desired end unless the persons who have become wayworn in the Service can be retired, easily, humanely and with a decent regard to the claims of infirmity. All this can be accomplished, it is sincerely believed, only by bringing the whole Service within the scope of a Superannuation Act. It is upon these broad grounds, rather than upon grounds of selfish interest, that the members of the Service solicit from the Government the fullest consideration of this most important matter; and in doing so not only can we point to foreign Governments, banks, railways and industrial corporations, but still nearer home do we find the principle of Superannuation well recognized. In 1898 the Government of Canada abolished the then existing system of Superannuation, yet the Militia Pensions Act 1901, the North West Mounted Police Pensions Act 1902, and the Intercolonial and Prince Edward Island Railway Provident Fund Act 1907, have all since been placed on the Statutes. Why the Government should have halted at a measure for the main body of its employees is a question we do not presume to answer.

If any further argument be necessary to establish the soundness of the principles involved in Superannuation or the necessity for immediate legislation, it will be found convincingly set forth in the appendix to this memorial in which is included:

(A) A copy of that portion of the Report of the Royal Commission (1908) on the Civil Service relating to Superannuation, (p. 21 of Report).

(B) A copy of an exhaustive memorandum prepared for the Royal Commission by Mr. T. C. Boville, Deputy Minister of Finance, (volume 1 of Evidence, p. 214).

(C) A copy of the Report of the Senate Committee on Superannuation, 1910.

(D) A copy of a petition to the Congress (1910) of the United States, prepared by members of the Civil Service, submitted to the members of the Cabinet for approval, and signed by them, and

(E) Extracts from the annual reports of Cabinet members and other administrative officials of the United States, showing the necessity for a proper measure of Superannuation in order to effect reforms in organization and economy in administration.

In urging upon the Government the need for immediate legislation we well recognize that the details of such legislation is a matter for careful consideration by the Government experts alone. This, however, we have reason to believe, need entail no delay, for on reference to the Report of the Royal Commission (p. 22) already referred to, it will be noticed that the Commissioners paid due tribute to the services rendered by Messrs. Fitzgerald and Grant of the Insurance Department in advising them in respect to Superannuation; and from the evidence given by these officials it is seen that they were then prepared to advise the Government as to the legislation best calculated to meet the peculiar needs of the Service. Further, a bill, commonly known as Senator Power's bill, has actually been drafted and recommended by the Senate Committee on Superannuation (1909-10); and a lengthy memorandum relative to the cost of such a measure was prepared by Mr. A. D. Watson of the Insurance Department, and submitted to Hon. Mr. Fielding, former Minister of Finance. While we, the members of the Civil Service Association, do not claim to be experts on Superannuation, nevertheless we believe we can be of very material assistance to the Government whenever the matter may be taken up. During the past few years a vast amount of valuable information on Superannuation has been collected and disseminated among the members of the Service, and we consequently feel that

the opinion of the Service body on any points which may arise in relation to Superannuation will be worthy of every consideration by the Government.

As to the general principles which should be followed, we are firmly of the conviction that any scheme to be satisfactory must include benefits for widows and children. Such provisions have been embodied in all the more recent schemes and may be justified for the same reasons as the provision for the employee himself.

We favour a contributory system by which an equitable proportion of the cost of the scheme will be borne by the employees.

As to the scope of the desired measure, we would respectfully urge that all employees of the Government of Canada, not provided for by other similar legislation, be included in its operation, and that arrangements be made by which employees now under the provisions of the old Superannuation Funds, and the Retirement Fund, may take advantage of the new measure on terms which will in no case be prohibitive.

INSURANCE.

In the matter of Government life insurance for Civil Servants, we beg to suggest amendments to the existing Act which would not only increase the usefulness of the measure to Civil Servants but would result in the Act more fully rendering that public service for which its framers designed it. These suggestions are as follows:—

(a) The increase of the maximum amount of insurance which may be issued to one person from $2,000 to $5,000. Owing to the increase in the cost of living, a policy of $2,000 has not now the relative value it had at the time the Act was passed and, as a consequence, many Civil Servants feel it necessary to carry insurance in excess of that now granted under the Civil Service Insurance Act. The privilege of a larger insurance will tend to make the Civil Service a more attractive calling and will promote the contentment and loyalty of the insured Civil Servants.

(b) The extension of the privilege of insurance to female employees and to men, such as the permanent officers of the Militia staff, who are now debarred. As the Insurance Act was designed for the protection of the dependents of Civil Servants, its purpose may be much more fully accomplished by this extension.

(c) The repeal of section 16 of the Act. This section places a prohibitive fine upon many proposers for insurance who are old and valuable public servants. In such cases where this fine is not actually prohibitive it is inequitable by any standard of equity to which it can properly be compared. For example:—An employee under Superannuation Fund No. 1, having contributed for 34 years, becomes insured and is subject to an extra deduction from salary of 1% or 1¾% as the case may be for only 1 year, while another employee, having contributed to the same fund for 20 years becomes insured and suffers the deduction of 1% or 1¾% from his salary for 15 years, and as any increases of salary which he may receive during that period are also subject to this deduction he cannot ascertain in advance what the cost of insurance to him will be and consequently cannot be sure whether or not it is desirable for him to become insured. Further, it is unjust that the holders of both $1,000 and $2,000 policies should suffer the same percentage of deduction from salary on insurance account.

CLASSIFICATION AND ORGANIZATION.

Under the conditions relating to classification, appointments and promotions, prevailing prior to September 1, 1908, various anomalies in the organization of the Service arose, chief among which was a lack of uniformity, both as between the several Departments and within the Departments themselves, in the classification of offices, and a disproportion, in individual cases, of rank and salary to duties performed. The fact that under the previous law no definitions were attached to the various classes lent itself to this result. Under sections 6 and 7 of the Act of 1908, the transfer of the Service from the old to the new classification was almost entirely automatic. It was thought that the carrying out of section 8, which requires an organization of the several Departments by their respective Heads to be made at as early a date as practicable, would correct this situation, in accordance with the assurance given to the Association and repeated in Parliament by the then Hon. Minister of Agriculture on behalf of the Government. Up to the present, however, section 8 has not been so administered, with the result that the anomalies above referred to have been perpetuated without prospect in sight of their being corrected.

Under any circumstances this was attended with hardship to many Civil Servants whose duties and responsibilities have greatly increased since the classification of their offices was first determined. Certain new conditions, however, directly connected with the enforcement of the Act of 1908, and having particular reference to the broad distinction made therein between the routine and the executive branches of the Service, have involved an additional hardship in individual instances. The Civil Service Regulations were necessarily framed on the assumption that the existing classification of offices was a just and proper one. These Regulations have imposed on clerks transferred into the Third Division an examination test for promotion which though non-competitive must be substantially equivalent to that imposed for entrance to the Second Division. We believe that the duties of many clerks thus transferred are such that a careful appraisement would have placed them in the higher Division. As a matter of fact, several of these clerks have, within the past three years, been recommended for promotion on precisely these grounds. Nevertheless they are now required to undergo the examination test mentioned above, though no change of duties is involved in their transfer, but only a proper recognition of the importance of those duties. We might add that on drawing the attention of the Civil Service Commissioners to the hardship thus imposed, it was pointed out that the hardship in these particular cases was not the result of the Regulations but because a proper organization of offices had not been made prior to the coming into effect of the Regulations. In other cases, more particularly in connection with the transfer to the Inside Service of the large number of temporary and Outside clerks on September 1, 1908, numerous anomalous situations have been created which urgently require adjustment on a comprehensive scale.

We would therefore respectfully request that the Government take steps at an early date to carry out an organization of the clerks and offices in the Departments on a uniform basis. Inasmuch as the Civil Service Regulations have now the force of law, we would ask that on the completion of this organization, it be made retroactive in effect, by statute if necessary, in order that all and similar disabilities to those mentioned above be removed.

AGE LIMIT FOR ENTRANCE TO SECOND DIVISION.

Under the provisions of the Act of 1908, the age limit for entrance to the Service is placed at 35 years. While special concessions with regard to promotions have been made to Third Division clerks whose entrance into the Service took place prior to September 1, 1908, we believe that these concessions ought to have been enlarged so as to permit such clerks to enter for the open competitive examinations for entrance to the Second Division if they wish to do so, without regard to age. Specific instances have occurred where clerks have wished to take these examinations for positions thrown open within the past three years; by a ruling of the Department of Justice, however, they have been debarred from competing. The same statement holds with respect to the messengers, who are under a similar prohibition with regard to their entrance to the Divisions. The various objects served by the setting of an age limit have all been fulfilled in the case of these employees and the effect of the law is merely to place a ban upon the highest kind of energy in the way of self-improvement.

QUARTERLY REPORT SYSTEM.

In the opinion of the Association the Quarterly Report system is not at present administered in a satisfactory way. We believe that the method of reporting upon the qualification of clerks is not uniform in the various Departments, nor even as between different branches of the same Department. Until such uniformity of method is assured we do not think the principle of promotion on merit can be said to be recognized.

SANITATION.

The Association would also respectfully invite the attention of the Government to the unsanitary conditions existing at present in several of the public buildings. These conditions naturally influence, more or less, the quality of the work performed by the employees.

A number of the buildings belonging to the Government were erected when the volume of public business was only a very small part of what it is to-day. Consequently, owing to the lack of a system of artificial ventilation, the overcrowding of rooms, the condition of the lavatories, the cleaning, &c., several of the buildings are in a more or less unsanitary condition. Other

buildings which have been leased by the Government do not appear to have been originally designed for offices, and as a consequence it has been found difficult to properly ventilate many of the lavatories or make the best sanitary provision for the employees. Added to these conditions, it has frequently happened, owing to the fact that the water pressure has been very poor during the past year, that there has not been sufficient water pressure to properly flush the closets. A further cause for complaint has been that the windows of the various buildings are, by order, closed after 5 p.m. and remain closed until the following day; this prevents a proper ventilation of the offices during the night. Complaints have also been made as to the lack of heating in some of the offices, particularly in the early part of the day. There is certainly a lack of hot water for cleaning purposes in nearly all of the public buildings. As a consequence, the charwomen in the greater number of the buildings are obliged to use ice cold water in winter, and there have been times when one or more of the buildings have not been sufficiently heated in the early morning hours to enable them to properly do their work.

In a recent examination by a special committee of the Association into the sanitary condition of the buildings, it was found that while the unsanitary conditons as above set forth prevailed in a greater or lesser degree in a large number of the buildings, several of them were found to be thoroughly sanitary and clean in every respect. It was learned (at the time) that foremen had recently been placed in charge in these said buildings, and the special committee recommended the extension of this system. The Association, so far as the cleaning is concerned, would be glad to see that system of supervision extended to cover all the public buildings by placing foremen over a certain number of cleaners and making each foreman responsible for the particular buildings allotted to him for his supervision.

In the opinion of the Association, the lighting generally in the offices is quite inadequate, and the electric fixtures are for the most part of a very inferior description.

While, possibly not directly connected with sanitation, attention might also be drawn to the fact that some of the buildings appear to be insufficiently provided with fire escapes.

The Association submit, herewith, a confidential statement setting forth a considerable number of specific cases in substantiation of the above general statement.

CONCLUSION.

While the above would, perhaps, appear to be couched in terms of complaint with regard to certain features of the present conditions in the Service, we beg to assure the Government that our aim, first and last, is to assist in the promotion of efficiency. In this connection we wish to express the pleasure with which we have noted your remarks, Sir, as Prime Minister, on conditions in the Service, more particularly in connection with the widening of the area in which the merit system prevails. We believe that in adopting that policy, and in carrying out the other changes which have been suggested above, the Administration will be acting not only to the advantage of Civil Servants but even more so to that of the Government and of the country.

On behalf of the Civil Service Association, we have the honour to remain,

Sir,

Your obedient servants,

ORMOND HIGMAN,
President.

ALEX. M. MacMILLAN,
Secretary.

OTTAWA, Dec. 22nd, 1911.

Appendix.

(A.). Extract From Report of the Royal Commission on the Civil Service (P. 21).

RETIRING ALLOWANCES.

At the outset your Commissioners consider it a subject of regret that the Superannuation Act, which had been in force for over twenty-seven years, should have been repealed, and the present Retirement Act put in its place. To the Commissioners the repeal seems most illogical; when it is found that within a few years after its repeal Pension Acts have been placed on the statute book providing for pensions to the members of the Northwest Mounted Police, the staff of the Intercolonial railway, the members of the Permanent Corps and Headquarters Staff, and other employees under the Militia Department, as well as to their widows and families, it would seem that the action in abolishing the Superannuation Act was not only illogical but hasty and inconsiderate. So many papers have been written and so much has been said on the subject of Superannuation that your Commissioners do not consider it necessary to expatiate at length upon it. A lengthy memorandum upon the matter was prepared and submitted with the last report on the Civil Service made by the Royal Commission in 1892. It pointed out that not only was the system of Superannuation in the best interests of the state but economical in practice, leading to stability in the working of the service; for without any Superannuation system it simply means that it is impossible to get rid of the aged members, and men would be retained in the public service to an advanced age and long after their usefulness had departed, for the reason that it would be hard and cruel to discharge them. This would result not only in the abnormal increase of the staff of each department in course of time, but the older being necessarily the higher paid their retention would serve to prevent the active staff, on whose shoulders the bulk of the work would fall, receiving the higher scales of remuneration to which they would be entitled. In modern days a pension system is recognized as a necessity by almost all banks and large corporations; and even religious bodies provide for the old age of their ministers. Amelioration has also been granted to judges on their retirement. In many cases judges can be retired on their full salary; and in the face of this does it not seem wrong and cruel that, except in the case of a few favored officials, there should be no provision for sickness, debility or old age throughout the public service except the Retirement Fund, which is no provision at all? The present progressive conditions of life in Canada will undoubtedly continue, although from unlimited speculation or an occasional bad harvest there may be times of temporary retardation; but from all appearances the cost of living does not promise to decrease, and the salaries of public officials being barely sufficient to pay necessary expenditures, will prove insufficient to provide for their dependents after death. Owing to these considerations your Commissioners are of opinion that it would be desirable that not only should a Superannuation Act be re-enacted, but its sections should include provision for the support of the widows and orphans of deceased public servants. An Act drafted to this effect has been placed at the disposal of the Commissioners and will be appended to their report. It has been pointed out over and over again that not only is it the tendency for inefficient men to enter the public service, but the effective members who have essayed the service and who see but little hope of the future, having no Superannuation in view for their declining years, abandon it to better themselves. Not only do the young and enterprising officials leave, but some of the chief officials, men of well known character and ability such as Messrs. Bain, Riley, Ruel and Stewart of the Interior Department have abandoned the service for outside employment, and it seems hard that men who are engaged in the construction work of the Dominion, who give their best endeavours to their country in the responsibility of carrying through great public works, the development of agriculture, and all the services which go to building up the Dominion, should have nothing to look forward to when old age overtakes them and their work is over, while the favoured few and the police of Canada should be carefully protected, and not only themselves but their widows and children. The sooner, in the view of the Commissioners, a Pension Act is placed on the statute book, the better it will be for the interests of the Dominion.

Your Commissioners have had the services of Messrs. Fitzgerald and Grant of the Insurance Branch of the Finance Department to aid them in devising an Act, and the rate of abatement has been fixed and based upon the average at

which employees enter the inside service. Of course, when men well advanced in years are appointed postmasters and collectors of customs it would follow that the average age for the outside service is much higher than the average age for appointment in the Inside service; but until the political element is cast aside from the public service that condition of affairs will always prevail.

Your Commissioners have had brought to their attention a clause in the Superannuation Act which enabled the Government to add a term of service not exceeding ten years to officials who, after the age of 30, entered the public service for special or technical reasons. Your Commissioners find that with one exception the advantages of this provision have not been extended to any retiring official within the last ten years. The practice in the case of deputy heads and high officials was universal in the past and its extension is still legally applicable. It was well understood that when officials appointed to high positions for special or technical reasons came to be superannuated additional terms of years would be granted to their service. Your Commissioners are only aware of three or four instances at the present moment in the public service which would fall within this category. First, the King's Printer, who for very special reasons, was called upon by the Government to re-organize the Printing Bureau in 1891, then being over 50 years of age. His case was pointed out individually in the report of the Civil Service Commission of 1892. Second, the Deputy Minister of Trade and Commerce, who entered the service as assistant commissioner of customs, having left the bank in which he had become a manager; the third is that of the Superintendent of Insurance, who was absolutely promised that he would be treated in the same manner as his predecessor was treated when he retired from the service; that is to say, that a term of years should be added to his service. Your Commissioners trust that if in the near future any of these officials should find it necessary to retire from the service the circumstances under which they entered the public service should be taken into consideration, and that such length of service should be added to their actual service as would enable them to be retired according to the promises made to them on their appointments.

Your Commissioners have now to consider the advisability of naming a fixed age at which officials should leave the public service. Compulsory retirement at a fixed age is the practice in Great Britain, the age laid down being 65 years. The fixed age has two great advantages. First, it relieves the state or the minister from the importunities of officials who wish their services to be kept on after their faculties are impaired. And second, it prevents the retirement of men under the age to make places for political officials. So strict is the rule in Great Britain that there are only three reasons for which the services of an official can be retained beyond the age of 65 years, and even then an extension can only be made for one year, and a report has to be made to parliament of the official whose services are extended together with the reasons therefor. For instance an official may be retained because he is engaged in some important work which it is desirable to complete; or he is doing some work which is in course of transfer to some other part of the system; or for very grave reasons of state and very great urgency his retention is necessary. Your Commissioners have to point out that during the Boer War, when the treasury of Great Britain had to raise large sums of money, the secretary of the treasury, Sir Francis Mowatt, arrived at the age of retirement. It was decided then that the requirements being so urgent his services should be retained for one year; but only for such grave reasons can the period be so extended.

Before leaving the subject of Superannuation your Commissioners beg to observe that, should it be decided that a Superannuation Act be introduced into Parliament, it should be taken into consideration that in the event of an official dying before being retired, if no better provision could be given, it would be only just and equitable that the abatements deducted from the salaries should be paid to his widow or representatives. Many cases of hardship have occurred since the Superannuation Act was placed on the statute-book in 1880. A recent notorious case occurred in Toronto where Mr. Patteson, the late postmaster, after having paid in $80 a year for about 28 years, died while still in harness, and the sum so deducted from his salary became part of the Consolidated Revenue of Canada without any benefit to his widow and orphan. Your Commissioners further consider that in the event of an Act being placed on the statute-book it should have a retroactive effect and due regard should be given to officials of a permanent character who are not under any Retirement Act. Many officials performing duties of great responsibility are under neither the Superannuation nor Retirement Acts. As in the course of time their services will become of less value it is respectfully suggested that early steps should be taken to bring them under a Superannuation Act, if, as was said before, it be determined that a Superannuation Act be introduced into Parliament.

Although not pertaining to the subject of Superannuation, your Commissioners have had brought to their attention the cases of a class of employees of

the Dominion Government whose services are more or less of a hazardous character, such as railway mail clerks, guards of penitentiaries, inspectors doing duty in out of the way places, lighthouse keepers, inland revenue officers engaged in the manufacture of fulminate of mercury, and others whose duties entail risk of life or limb. Officials of this class should, in the opinion of your Commissioners, be protected in addition to the Superannuation allowance by means of accident policies. In such a large service as that of the Dominion of Canada, where so many officers are employed in hazardous duties, no doubt the rates chargeable collectively would be moderate compared to the rate paid by individuals. Possibly the Government might devise a scheme to do its own insurance. Your Commissioners beg to point out that the British Parliament has passed an Act under which compensation is guaranteed to employees suffering injuries in the performance of their duties, and this also applies to public servants. With this example before them your Commissioners consider that the question of accident insurance is one of great importance.

(B.) Memorandum of Mr. T. C. Boville on Superannuation (Volume 1, Evidence Royal Commission P. 214.)

SUPERANNUATION.

In this memorandum I desire to speak from the point of view of the Finance Department and its business. One department differs from another, and while the views herein expressed may have general application they are given with special reference to the department named.

It is unnecessary to sketch the history of the Civil Service Superannuation Act or trace its workings. By the legislation of 1897 its provisions were repealed, so far as those thereafter entering the service were concerned, and in its stead a Retirement Act was enacted. At the present time then, the staff is composed of two classes of men, those who can look forward to retiring upon a decent pension if they live long enough, and those who have no prospect of a pension, but who, under the terms of the Retirement Act, will receive upon leaving the service the product of a savings bank account in which is deposited monthly five per cent. of their salary. I have watched with some interest the results of the two systems, and I desire to place before the Commission briefly the conclusions at which I have arrived.

The business of Government differs somewhat from business of the ordinary character. It is conducted on a larger scale, in the interests of the country as a whole, and not for any individual or corporation. It is of a continuous character, and to carry it on to the best advantage the staff must be possessed of a certain amount of historical acquaintance with the different subjects to be dealt with. To that end departmental training and experience are invaluable. An employee in the course of a number of years gradually becomes a storehouse of useful departmental knowledge. For that reason the bringing in of young men and the training of them in the departments make for efficiency. One of the strong levers to retain under the terms of the Civil Service Act men who have proved themselves valuable has been the pension system. Under the Retirement Act, there being nothing to hold him, if a man sees an opening elsewhere providing for the moment a better wage he leaves the Government and takes with him his knowledge and the balance of his savings bank account. In the interests of a continuous service the Superannuation Act was highly advantageous.

The fact that an employee has before him an honorable retiring allowance has a steadying influence on his character and conduct. He will refrain from any breach of trust or other act that would endanger the provision for his future.

The most important advantage of any system of retiring annuity is its value as a measure of economy.

A private individual has no compunction about getting rid of an employee who is no longer able to make up his tale of bricks; a corporation likewise frequently has to dispense with the services of the aged, though in a good many large establishments the pension system is being adopted. Without discussing the moral obligation of the individual or corporation to provide for the future of those who have grown old in their employment, it will be found that a Government, in the face of influences of all the various and varied kinds that can be brought to bear, simply cannot get rid of those who, worthy in themselves, and who have given years of honest service, have outgrown their usefulness, and must carry them on at high salaries while younger men have to be employed to do the work. In other words, in the absence of any pension or other kindred scheme the the staff in its higher branches must be duplicated. It is more economical and better in the interests of the work that such persons should be removed from the active staff.

This difficulty is not an imaginary one. In the case of the so-called temporary employees it has to be faced to-day. Some of these temporary employees have been in the Service since the seventies, and have grown gray in the employ of the Government. Being the oldest they are at the maximum salary that can be paid. They have done their best, but the infirmities of age impair their abilities to carry on their daily toil, and seriously interfere with their attendance. Indeed their spirit and loyalty sometimes carry them beyond what is reasonable in their desire to maintain their former efficiency. What is to be done? It seems to me that some method or system should be adopted to meet such cases.

There has recently been an extensive agitation in the Service for higher remuneration. Wonder has often been expressed that the country has been able to get and retain in its service under the scale of wages set forth in the Civil Service Act, men whose abilities were widely acknowledged and who served their country well and long. I am convinced that the Superannuation Act was the means of retaining such men. I believe further that they regarded any allowance under that Act as merely deferred salary, and were willing to serve at a moderate recompense for the present in view of the advantage of a provision for their old age—a provision which they might or might not live to enjoy. I believe that the establishment of some scheme of retiring allowance for honourable service would be in the best interest of the service of the country as well as in the interest of economy.

(C.) Report of Senate Committee on Superannuation (Minutes and Proceedings of The Senate 1909-10 P. 899.)

The Standing Committee on Civil Service Administration have the honour to make their Third Report.

The Committee have had under consideration the subject of allowances to persons ceasing to be employed in the public service of the Dominion and to the dependents of such persons, and have agreed to report and do report thereon as follows:—

The first question to be considered is whether or not it is desirable that there should be a system of Superannuation.

The reasons for an affirmative answer were given very clearly and tersely by Dr. Farr in his evidence before the Select Committee of the English House of Commons in 1856. He said:—

"Experience has shown that there are great advantages attending the present mode of remunerating public servants, partly by salaries and partly by Superannuation. . . . They are such as have led almost all the nations of Europe to adopt the system of paying partly by Superannuation allowances. In the first place, it is a guarantee of fidelity; in the second place, it encourages efficient service; in the third place, it retains good men in the service; in the fourth place, it induces men to retire when they become old or inefficient from any cause; and in the fifth place, it prevents old public servants from falling into a state of disgraceful dependence, or of distressing destitution, which would be a public scandal, and might deter young men from becoming candidates for office. These advantages appear to me to be so great that I should very much regret to see the system of Superannuation abolished."

The like reasons are given at greater length in the report of the Royal Commission on Superannuation, appointed in 1857, upon which the English Act of 1859, still in force with certain amendments, was based. They are repeated in the evidence before the Select Committee of the Commons in 1873.

The experience of Canada strengthens the impression created by that of England. To ignore every other aspect of the matter, the services of many most valuable servants of the public have been transferred to private employers and have been lost to the country, where they would probably have been retained had a satisfactory system of Superannuation been in force.

We find too that the banks, the railway companies and other great business corporations have been obliged, in order to secure and retain the services of competent and reliable men, to introduce retiring allowances coupled with provisions for the widows and children of their employees. The Government is by far the largest employer of permanent hands in the country; and if it is to be faithfully, cheerfully and effectively served, must do as other great employers. This necessity is emphasized by the disinclination, which we learn from the last report of the existing Civil Service Commission, is shown by properly qualified young men,—their qualification being shown by passing a reasonable examination—to enter the public service.

Your Committee, therefore, have no hesitation in declaring that a system of Superannuation is, in the public interest, not only desirable but absolutely necessary.

Before undertaking to submit a scheme of their own, the Committee think it well to state briefly the existing conditions under the Superannuation Act of 1890, which, with certain amendments, was in force until the first of July, 1898, . . . a deduction at first of two per cent., and after the first of April, 1893, of three-and-a-half, was made from the yearly salary of every officer, which deduction was continued for thirty-five years if the officer remained so long in the service, and upon his retirement he receives a superannuation allowance of one-fiftieth of his average salary received during the last three years of his service for each year thereof, such allowance in no case to exceed thirty-five fiftieths of such salary. Upon his death the allowance ceased, and nothing was thereafter paid to his widow, children or personal representatives. This system was defective, because not more than fifteen per cent. of the contributors lived to become beneficiaries; because there was nothing for the families either of those who survived to the pensionable period or of those who failed to so survive, and because the unexpended balance of the servant's contributions remained in the Consolidated Revenue Fund. One man in six or seven might live to enjoy a pension for a few years; but if a servant died, whether in harness or after retirement, there was no provision whatever for his family. Of the objectionable results of this system we have had many melancholy instances.

With a view probably to remedy in some degree the defects of the Superannuation law, the Act respecting Government Civil Service Insurance was passed in 1893. This Act was intended to provide for the widows and children of Civil Servants who availed themselves of its provisions. The number who have done so is exceedingly small, possibly owing to the fact that the largest amount for which insurance can be effected is $2,000.

The Civil Service Retirement Act of 1898, which came into operation on the first of July in that year, provided that there should be a deduction of five per cent. from the yearly salary of every person becoming a member of the Civil Service after that date; and that upon retirement from the service or death his contributions with interest at four per cent. compounded half yearly should be paid to himself or his legal representatives, as the case might be. Provision was also made for taking into account previous payments into the Superannuation account. This Act, while partially removing one defect in the then existing law, by giving the servant's contributions and interest thereon to himself or his dependents or heirs, made very insufficient provision for the contributor and his family. It did less than live insurance, and really amounted only to a compulsory deposit of five per cent. of salary in a savings bank. On the other hand, inasmuch as the contributor is allowed to withdraw his deposits with compound interest at any time, this enactment has had no effect in restraining civil servants from quitting the Government employ. The existing laws with respect to the subject matter of this report are, as has been pointed out, defective in their operation. They are also unduly limited in their application. They apply only to what is known as the Inside Service and to certain members of the Outside Service who are employed in the Departments of Customs, Inland Revenue and Post Office. There does not seem to be any substantial reason why outside members of the staffs of the Public Works, Marine and Fisheries, Agriculture and other departments should be placed on a different and inferior footing to those of the three first mentioned; and in the opinion of the Committee the benefits of any new system of providing for retired Civil Servants and the families of those deceased should extend to all *bona fide* permanent officers and employees of the public service of Canada.

It being clear then that a system of Superannuation accompanied by allowances for the widows and young children of public servants should be introduced the question naturally arises, should the beneficiaries contribute or should they not?

The contributory system reduces the drain on the public treasury to a comparatively low figure. It is the more manly, and best calculated to preserve the self respect of the Civil Servant. The fact that his own money is involved tends also to make him less likely to quit the service. On the other hand, where there is no contribution and the state bears the whole expense, while the cost to the public is much increased, the beneficiaries are not better satisfied than where they contribute, because they become convinced as has been the case in England since 1859, that the retiring allowances are taken into consideration when their salaries are fixed, so that the pension is looked upon as being really deferred pay.

Dissatisfaction with the Act of 1859, the law which substituted a non-contributory for a contributory system, has often found expression in England.

It may be well to make two short citations from the mass of evidence to this effect. We quote first from the Report of a Parliamentary Committee appointed in 1885. The Committee were—"of opinion that all persons hereafter appointed to the service of the Crown, whether civil or military, whose service at present counts towards pension, should contribute towards that pension by a percentage deduction from salaries or pay. The steady and rapid growth of the pension list points to a proximate revision of the entire policy of burdening the public with the provision of pensions; the enterprise of private individuals and firms indicates the advantage of self-help as a condition of employment (which it might be proper to supplement with state help); and your Committee recommend that not only in service counting under the present system towards pension, but also in the police and other unpensioned branches of the public service, contribution to a pension fund should be made obligatory."

In his evidence before the Ridley Commission of 1886, Sir Algernon West said,—"I should be very much inclined, if you ask my opinion, to say that I think it would be a very fair thing to revert to the five per cent. deduction from salaries for pensions, thereby reducing the charge of Superannuation on the state, but with the distinct understanding that these deductions should be the absolute property of the person who pays them."

In an able report furnished by the Bureau of Labour at Washington, to the United States Senate in January last, Mr. Herbert D. Brown dealt with civil service retirement in Great Britain and in New Zealand. One conclusion which Mr. Brown draws from the history of English Superannuation schemes is that,—"The logical plan is to adopt a contributory plan, since a pension system is certain to be treated as a contributory system, and since a pension system is far more costly. It is better, then, to adopt a contributory plan in the beginning, worked out on scientific lines, with a definite relationship between contributions and benefits to make it equitable between all classes of employees."

He also says on page 157 of his report:—"Provision should be made for the refund of contributions in case of separation from the service, whatever the cause. The lack of this provision in the Act of 1834 was felt to be a hardship and an injustice. The forfeiture of contributions was especially resented when employees died while in the service."

It may be said here that the Canadian Act of 1880 was substantially a copy of the English Act of 1834, and it may be added that private corporations in some cases forfeit the contributions of servants who quit their service for other employment.

Mr. Brown's account of New Zealand's experience shows that the newest Dominion began in 1858 with a straight pension system such as that introduced in England by the Act of 1859; that after thirteen years' trial it was abandoned as involving too heavy a charge on the public treasury; that from 1871 to 1886 the colony "contented itself with making gifts of lump sums to each employee retiring from the service, basing the amount of the gift on the length of service." The Act of 1886, substantially identical with the Canadian law of 1898, "authorized deductions (of five per cent.) from salaries, and was simply a scheme of compulsory savings established with the idea that the superannuated employee must be taken care of but at his own and not at the public expense."

This Act continued in force until 1893 when it was succeeded by a Civil Service Insurance Act, like the Canadian Law of the same year, except that it was compulsory upon all persons entering the service and not above 40 years of age.

Finally, in 1907, a contributory retirement plan with a subsidy from the Government was adopted. This plan, permitting continuance of insurance in the Government Life Insurance Department if the employee so desires, "affords adequate provision for every possible contingency in the life of the civil employee." Mr. Brown closes his observations on the existing New Zealand system as follows:—

"Certain details of the plan are worthy of note by the student. There is no compulsory need of retirement, notwithstanding England's experience that the absence of such provision is inadvisable. Provision is made for the cash refund of contribution on separation from the service, but interest on them is forfeited—an offset to the liberality of the benefits provided for those who remain in the service. The retiring allowance is based on the salary during the last three years of service rather than on the average salary. These are features the wisdom of which can be determined only by experience.

"New Zealand's experience in retiring its civil employees is especially instructive for two reasons, first, because of the variety of experiments made, and, second, because the final conclusion rests on theoretical principles generally acknowledged to be sound and yet in actual practice 'more honoured in the breach than in the observance.'"

It may be added that the rate of deduction under the New Zealand Act of 1907 is four per cent.

The contributory system is that adopted by the banks and by the great majority of business corporations; it is that recommended by the Canadian Civil Service Commissions of 1892 and 1907; and it has been adopted and found to work satisfactorily in the cases of the Permanent Militia, the North-West Mounted Police and the employees of the Government railways. Contribution, too, has been a feature of every law heretofore passed by Parliament with respect to the retirement of civil servants. If under the proposed new Act, contribution were abolished as to civil servants as a class, if would almost as a matter of course have to be discontinued as to the Militia, Police and Railway employees. The additional charge upon the public treasury, without any corresponding benefit, which would be involved in such discontinuance, furnish a substantial argument in favour of the retention of the contributory system.

Your Committee have no hesitation in expressing the opinion that any system of Superannuation should be based on the principle of contribution.

* * * * *

Your Committee are disposed to be of the opinion that the condition and importance of the Civil Service are realized by only a small proportion even of those concerned in the government of the country. There still lingers an impression handed down from earlier days, that as a class civil servants are paid handsome salaries, that their work is little more than nominal, and that they have much leisure time on their hands which they do not always put to the best use. Whatever foundation there may have been thirty or forty years ago for this impression, the members of your Honourable House know that at the present time with possibly a very few exceptions, it is altogether incorrect. If the public service were a lotus-eater's paradise there would not be such difficulty in securing young men to occupy it, nor would so many quit it for other fields of employment.

The administration of the laws of Canada is in the hands of her public servants; and whatever wisdom and pains Parliament may devote to the framing of laws, both are largely wasted if the laws be not carried out by capable and devoted administrators. It is of the utmost consequence that the public service be made reasonably attractive, and your Committee feel that some such measure as the Bill herewith submitted has become necessary in the interests of the country as well as in those of the civil servants.

All which is respectfully submitted.

L. G. POWER,
Chairman.

(D.) Petition to Congress For a Superannuation Law.

To the Congress of the United States:

The undersigned members of the Civil Service, with the permission of the heads of the executive departments, desire to bring the attention of your honourable body to the following facts:

The United States has in its classified Civil Service a body of public servants certain of whom in the ordinary course of life becomes superannuated each year after long service;

The greatest Republic on earth is practically the only civilized nation which makes no provision for the retirement of its superannuated civil employees;

Retirement systems have been recognized as just, reasonable, and economical, and adopted by many of the business corporations in the United States;

A commission appointed by the President, after devoting much time to investigation of the subject, reported in favour of retirement in the classified Civil Service;

The President and his Cabinet favor the principle of retirement as a sound and economical policy on the part of the Government, tending to increase the efficiency of the Civil Service.

In view of these facts the undersigned members of the Civil Service respectfully petition your honourable body to enact a retirement law based on an equitable contributory plan, such law to provide for an adequate retiring allowance based on average salary and length of service, and for the return of contributions, with interest, to persons leaving the service before reaching the age limit, or to their legal representatives in case of death.

It is apparent from the experience of other countries in granting civil pensions payable wholly from the public funds that such policy ultimately

results in an under paid official force, and we believe that the establishment of a civil pension law in the United States would tend strongly to maintain the present low scale of salaries existing throughout the service, because the prospect of such a pension would be considered an essential part of the compensation. As such pension would only be received by the comparatively few employees who survive to the retiring age and also remain in the service to that age, it would be secured to those few at the expense of the great majority of the employees working for less than full compensation on the prospect of receiving a pension they are destined never to enjoy.

We further petition your honourable body to enact a uniform reclassification law under which salaries shall be based upon the character and quality of work performed by each employee.

The above petition was submitted to the members of the Cabinet for approval and was signed by them, as follows:—

FRANKLIN MACVEAGH,
Secretary of the Treasury.
J. M. DICKENSON,
Secretary of War.
GEO. W. WICKERSHAM,
Attorney-General.
R. A. BALLINGER,
Secretary of the Interior.
CHARLES NAGEL,
Secy. of Commerce and Labour.
FRANK H. HITCHCOCK,
Postmaster-General.
JAMES WILSON,
Secretary of Agriculture.
P. C. KNOX,
Secretary of State.
G. VON L. MEYER,
Secretary of the Navy.

(E.) Extracts from the Annual Reports of Cabinet Members and other Administrative Officials of the United States Government.

(1) From the nineteenth Report of the Civil Service Commission:

"Under it (the Civil Service law) any employee can be dismissed at anytime. . . . In order to secure justice in making such removals, it was provided. . . . that the appointing officer must give his reasons, with proper notice and an opportunity for answer, to the person proposed to be removed, and that removals should only be made for such reasons as would promote the efficiency of the service. . . . But it is (also) true that from humane considerations appointing officers will be reluctant to dismiss those who have become superannuated or otherwise incapacitated when hardship is entailed upon the person so removed, and in cases, especially, where the employee in question has served the Government faithfully for years."

(2) Testimony given in 1904 by Adjt. Gen. F. C. Ainsworth, then Chief of the Record and Pension Office, War Department:

"As a rule, to which there are but few exceptions, the value of an employee bears an inverse ratio to the political and social support which he brings to bear in his own interest. It is at best difficult to bring about the discharge, to resist the importunities of his friends and supporters for his reinstatement."

How then can it be expected that a faithful employee of long service can be removed when overtaken by invalidity or infirmity unless he is provided with a liberal allowance?

(3) Mr. M. O. Chance, former Auditor of the Post Office Department, in his Report, 1910:

"An unusually large proportion of the employees in this office are persons who have passed the age of greatest usefulness. . . . On account of their infirmities, both they and the service would be better off were they honorably retired on adequate annuities and their places given to younger and more active men."

(4) Hon. Franklin MacVeagh, Secretary of the Treasury, Report 1909:

"It seems to me that the conclusion is unavoidable that a really efficient service is out of the question without a method of honorably and justly retiring persons whose efficiency is seriously impaired. . . . The service is blocked in many instances by the unwillingness of the officials in charge to throw out of place worthy men and women who have given the best of their lives to the work of the Government. So that, in a very imperfect and wholly unsatisfactory manner, practically a pension system is and long has been in operation . . . . and though as a Government we have halted at a general retiring allowance for Civil employees, the great universities of our country, and the great corporations have been taking immense steps along this very line. . . . There is no practical way to put the Government service properly on its feet without a fair and just method of Civil Service retirement. This is not only a requisite, it is a pre-requisite; and unless Congress shall give the executive this necessary method of improving the service, the country must accept a service that is not fully satisfactory and which cannot be made fully satisfactory." He further speaks of "the hopelessness of ever arriving at a complete state of efficiency without a way of retiring clerks in a just and humane manner."

(5) Hon. Ethan A. Hitchcock, Secretary of the Interior, Report 1905:

"The system now in use relative to the maintenance of the clerical force is unsatisfactory and expensive, and some provision by way of retirement should be provided to meet the conditions that exist."

(6) Hon. Richard A. Ballinger, Secretary of the Interior, Report 1909:

"So long as a retirement fund is withheld, the practice of pensioning superannuated and defective, though deserving, clerks by retaining them on the salary rolls must continue."

(7) Hon. Oscar S. Strauss, Secretary of Commerce, Report 1908:

"As a rule, the persons rated below the required standard are employees of advanced age who have given many years of service to the Government. The obstacles in the way of the separation of such employees are real and not fancied. The head of the department, while not forgetful of his responsibility, finds it a difficult task to direct removal, although it is conceded that the persons are no longer rendering efficient service. This is not so much due to the sympathy of the appointing officer. . . . as to the great pressure immediately brought to bear by public and prominent men and women to prevent dismissal. This is a condition and not a theory, and is perhaps the strongest reason for the enactment of a law for the retirement of superannuated employees."

(8) Hon. Charles Nagel, Secretary of Commerce and Labour, Report 1901:

"While humanitarian reasons may have at first suggested the advisability, and in fact the duty, of providing a system of retirement, it is now being recognized quite generally that the conditions are such as to more than justify it from a strictly economical point of view."

(9) President Taft's Congressional message, 1909:

"Every reform directed toward improvement in the average efficiency of Government employees must depend on the ability of the executive to eliminate from Government service those who are inefficient from any cause, and as the degree of efficiency in all the departments is much lessened by the retention of old employees who have outlived their energy and usefulness, it is indispensable to any proper system of economy that provision be made so that their separation from the service shall be easy and inevitable. It is impossible to make such provision unless there is adopted a plan of civil pensions. . . . We cannot, in view of the advancing prices of living, hope to save money by a reduction in the standard of salaries paid. Indeed, if any change is made in that regard, an increase rather than a decrease will be necessary; and the only means of economy will be in reducing the number of employees and in obtaining a greater average of efficiency from those retained in the service."